

AFFIDAVIT AND REVENUE CERTIFICATION

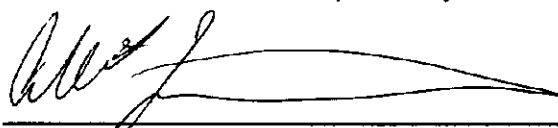
**East Cameron Port, Harbor, & Terminal District
Cameron Parish
Cameron, Louisiana**

**ANNUAL SWORN FINANCIAL STATEMENT AND
CERTIFICATION OF REVENUES \$50,000 OR LESS**

The annual sworn financial statements are required by Louisiana Revised Statute 24: 514 to be filed with the Legislative Auditor within 90 days after the close of the fiscal year. The certification of revenues \$50,000 or less, if applicable, as required by Louisiana Revised Statute 24:513(l)(1)(c)(i).

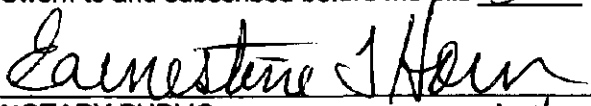
Personally came and appeared before the undersigned authority, Albert Crain, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of East Cameron Port, Harbor, & Terminal District as of December 31, 2005, and the results of operations for the year ended, in accordance with the basis of accounting described within the accompanying financial statements.

In addition, Albert Crain, who, duly sworn deposes and says that East Cameron Port, Harbor & Terminal District received \$50,000 or less in revenues and other sources for the year ended December 31, 2005, and accordingly, is not required to have an audit for the previously mentioned year.



Signature

Sworn to and subscribed before me this 30th day of August, 2006.



NOTARY PUBLIC ID# 50259

Please Complete this Section:

Officer Name	<u>Albet Crain</u>
Title	<u>President</u>
Address	<u>152 McCain Road</u>
	<u>Lake Charles, LA 70607</u>
Telephone No.	<u>(337) 538-2411</u>

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/18/06

EAST CAMERON PORT, HARBOR AND TERMIAL DISTRICT
Cameron, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Statement A

Balance Sheet, December 31, 2005

	GOVERNMENTAL FUND TYPE- GENERAL FUND	ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
	<hr/>	<hr/>	<hr/>
ASSETS			
Cash and cash equivalents	\$943,638		\$943,638
Land		\$1,000,000	\$1,000,000
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$943,638	\$1,000,000	\$1,943,638
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND EQUITY			
Liabilities	NONE	NONE	NONE
	<hr/>	<hr/>	<hr/>
Fund Equity:			
Investment in general fixed assets		\$1,000,000	\$1,000,000
Fund balance – unreserved – undesignated	\$943,638		\$943,638
	<hr/>	<hr/>	<hr/>
Total Fund Equity	\$943,638	\$1,000,000	\$1,943,638
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$943,638	\$1,000,000	\$1,943,638
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

EAST CAMERON PORT, HARBOR AND TERMIAL DISTRICT
Cameron, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Statement B

Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2005

REVENUES

Taxes	\$113
Use of money and property – interest earnings	\$22,628
Total Revenues	\$22,741

EXPENDITURES

Current – public works – operating expenses	\$8,933
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EXCESS OF REVENUES OVER EXPENDITURES	\$13,808
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FUND BALANCE AT BEGINNING OF YEAR	\$929,831
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FUND BALANCE AT END OF YEAR	\$943,639
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The accompanying notes are an integral part of this statement.

EAST CAMERON PORT, HARBOR, AND TERMINAL DISTRICT
Cameron, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

East Cameron Port, Harbor, and Terminal District was created under Louisiana Revised Statute 34:2501. The district has all the rights, privileges, and immunities granted to corporations in Louisiana. The district is governed by a five-member board of commissioners who are appointed by the Cameron Parish Police Jury and who serve without compensation. The board of commissioners has the power to regulate the commerce and traffic of the district in such a manner as will be in the best interest of the state.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on the organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or the significance of the relationship.

Because the police jury appoints all board members of the district and can impose its will on the district, the district was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general ledger long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental funds (General Fund). All financial resources of the district are accounted for in this fund. General operating expenditures are paid from this fund.

FIXED ASSETS AND LONG-TERM DEBT

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the General Fund and the related assets are reported in the general fixed assets account group. The only fixed asset of the district, a 3.7-mile channel, is valued at historical cost. No depreciation has been provided on this general fixed asset.

The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of result of operations. The district has no long-term debt at December 31, 2005.

BASIS OF ACCOUNTING

Current operations dictate that revenues and expenditures be reported under the cash basis of accounting.

Revenues

Interest income on interest bearing demand deposits is recorded at the end of the month when credited by the bank. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Expenditures

Expenditures are generally recognized under the cash basis of accounting when the related fund liability is paid.

BUDGET PRACTICES

Louisiana law exempts all special districts created before December 31, 1974, from the requirements of the Local Government Budget Act. East Cameron Port, Harbor, and Terminal

District was created in 1962 and, accordingly, is exempt from the budgetary requirements. Management has determined that, due to the amount and nature of the expenditures, the adoption of a budget is not required for control purposes. Accordingly, the district did not adopt a budget for the year ended December 31, 2005; therefore, the accompanying financial statements do not include a comparison of revenues and expenditures to budget.

CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal office in Louisiana. At December 31, 2005, the district has cash and cash equivalents (book balances) totaling \$943,638 as follows:

Demand deposits	\$ 43,638
Money market accounts	900,000
	<hr/>
Total	\$ 943,638
	<hr/>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and cash equivalents (bank balances) at December 31, 2005, are secured as follows:

Bank Balances	\$ 943,638
	<hr/>
Federal deposit insurance	\$ 200,000
Pledged securities (uncollateralized)	859,926
	<hr/>
Total	\$1,059,926
	<hr/>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than the name of the district, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposed a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

VACATION/SICK LEAVE POLICY AND PENSION PLAN

The district has no employees; therefore, the district does not have a formal policy on vacation and sick leave and does not contribute to a pension plan.

RISK MANAGEMENT

The district is exposed to various risk of loss related to torts; thefts of, damage to, and destruction of assets; and errors and omissions. To handle such risk of loss, the district maintains

commercial insurance policies covering general liability and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

TOTAL COLUMN ON BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. LITIGATION AND CLAIMS

The district has been named in a lawsuit, along with the Cameron Parish Police Jury, as of December 31, 2005, the Cameron Parish District Attorney's Office is defending the East Cameron Port in this claim. A letter from the district attorney concerning this possible litigation accompanies this report.

Cecil R. Sautter

District Attorney

THIRTY-EIGHTH JUDICIAL DISTRICT
CAMERON PARISH



September 29, 2006

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Via Fax No. (337) 905-1193

Mr. Darrell Williams
Cameron Parish Policy Jury
P.O. Box 1280
Cameron, LA 70631

**Re: The Rutherford Estate Trust
Vs. No. 10-16136
Cameron Parish Police Jury and
East Cameron Port Commission**

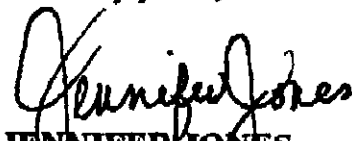
Dear Mr. Williams:

As per your request, I am providing an update on the above-captioned matter for purposes of your annual audit.

In May of 2005, depositions were scheduled in this matter. However, they were postponed due to the death of my son, Chris. They were never rescheduled prior to Hurricane Rita. I have not heard anything directly from the Plaintiff's attorneys regarding this case since May of 2005, but ask you to review copies of correspondence dated November 7, 2005 to Jim Pate from Thomas LeBlanc, and Jim's response dated November 10, 2005.

Kindest regards.

Sincerely yours,


JENNIFER JONES

Enclosure
JJ/pk

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November 7, 2005

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Via Facsimile (337) 233-9450 & U.S. Mail

RE: *The Rutherford Estate Trust*
v. No. 10-16136
Cameron Parish Police Jury, et al.

Dear Mr. Pate:

Please be advised your letter of September 20, 2005, "weathered" the post-Hurricane-Rita postal service and made it to our office in early October. As you might imagine, we have been working feverishly to get back on track and pick up where we left off when Rita came calling. Thus, I apologize for my delay in responding to you.

Specifically to your request, we were coordinating with Ms. Jones' office to review the minutes of the Police Jury's and the District's meetings prior to Hurricane Rita, but had not finalized any such plans before we evacuated and Cameron Parish was decimated. At this point, while I still desire to review the minutes and pursue Ms. Horn's deposition thereafter, I am in need of assistance from you, Ms. Jones and your respective clients to identify for me what records survived the storm, where they are, and what will be involved in reviewing them at this time. Also, I need confirmation that Ms. Horn has returned to the area and is available.

Mr. James L. Pate
November 7, 2005
Page 2

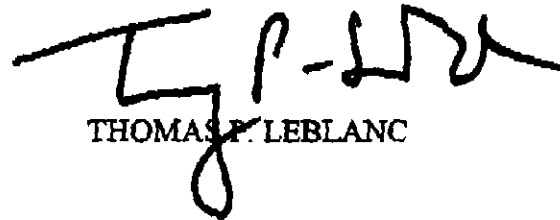
At this time, we are re-evaluating this matter to assess what, if any, impact the affects of Hurricane Rita will have on the claims asserted. We would ask that you confer with your client to ascertain to what extent, if any, its defense of this matter has been impacted, so that we may eventually get together to discuss moving forward.

By copy of this letter to Ms. Jones, we are making her aware of the our requests and posing same to her and her client, the District.

We await the favor of your reply. With kindest personal regards, we remain

Sincerely,

LUNDY & DAVIS, L.L.P.



THOMAS P. LEBLANC

TPL/amm

cc: Ms. Jennifer Jones

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& NEUNER**
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November 10, 2005

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Lake Charles, LA 70602

RE: The Rutherford Estate Trust v. Cameron Parish Police Jury, *et al*
Docket No. 10-16136, 38th JDC, Cameron Parish
Our File No. 14874

Dear Thomas:

Thank you for your facsimile of November 7, 2005. I see that you copied Jennifer, I am doing the same, but I am not sure I have a good address for her at this time. Unfortunately, I think it will be some time before we can get the attention of the Police Jury to even determine whether its minutes are still available for review.

I also thought about how the hurricane may, or may not have, effected you client's property and the damages that they claim.

Jennifer, if you get this letter, please call me so we can touch base with you to determine if Ms. Horn is available for a deposition at some time in the next few months, and whether the Police Jury minutes survived the storm.

Sincerely,


James L. Pate

JLP:sab

cc: Ms. Jennifer Jones